

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

In re:

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Chapter 11

LENY Berry Mezz LLC,

Case No.

Debtor.

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DECLARATION PURSUANT TO LOCAL BANKRUPTCY RULE 1007-4

Ephraim Diamond declares the following under penalties of perjury pursuant to 28 U.S.C. §1746:

1. I have been engaged as a restructuring officer to act on behalf of LENY Berry Mezz LLC (the “Debtor”), charged with the responsibility of overseeing this Chapter 11 case in my capacity of Vice President of restructuring. I submit this Declaration in accordance with Local Bankruptcy Rule 1007-4 in support of the Debtor’s filing of a voluntary petition under Chapter 11 of the Bankruptcy Code. Although I am newly engaged, I have reviewed certain corporate, financial and operating documents and this Declaration is based upon that review.

2. The Debtor is the mezzanine entity holding the 100% membership interest of LENY Berry Holdings LLC (the “Fee Owner”), which is the owner of a mixed-use residential apartment building located at 188-190 Berry Street, Brooklyn, NY (the “Property”). Following a duly noticed special meeting of the Debtor’s Independent Managers, the Debtor was authorized to commence this Chapter 11 case. I will oversee the Debtor’s reorganization efforts, perhaps, in conjunction with a separate Chapter 11 filing by the Fee Owner itself depending on future discussions with the Lender.

3. The immediate purpose of this Chapter 11 case is to stay a UCC Article 9 foreclosure auction sale of the Debtor’s 100% membership interest in the Fee Owner, which is

scheduled for April 4, 2024 at 11:00 a.m. Although the Fee Owner is currently unable to pay all mortgage arrears and debt service in full each month, the Property retains the ability to regain enhanced value based upon the leasing of vacant commercial space, plus anticipated increased rental income beginning in 2025 after various tax abatements expire. Currently, the Property's rent roll is approximately \$400,000 per month and can increase significantly. Accordingly, once the Property is fully stabilized, it will be positioned to obtain refinancing or a new investor.

4. The UCC foreclosure sale was noticed in connection with a default under the senior mortgage loan which carries a current principal balance of approximately \$69.8 million. The mortgage is held by WF CREL 2020 Grantor Trust, as successor to Deutsche Bank as Agent (the "Lender"). The Lender holds both a direct real estate mortgage against the Property, plus a pledge of the Debtor's 100% membership interest in the Fee Owner (the "Mezzanine Loan") as additional collateral. The Lender is seeking accelerated enforcement via an Article 9 foreclosure.

5. The ultimate goal of the bankruptcy proceeding is to renew negotiations for a restructuring of the mortgage debt pending further stabilization of the Property.

6. The Chapter 11 petition will be supplemented with the filing of a full set of schedules and statements within the next fourteen (14) days.

Local Rule 1007-4 Disclosures

7. Pursuant to Local Rule 1007-4(a)(iv) and (v), no committees were formed prior to the filing of the Petition.

8. Pursuant to Local Rule 1007-4(a)(vi), a list of the names and address of the Debtor's creditors is attached hereto.

9. Pursuant to Local Rule 1007-4(a)(vii), the Lender holds a purported lien against the Debtor's membership interest in Fee Owner pursuant to a certain pledge agreement.

10. Pursuant to Local Rule 1007-4(a)(viii), a summary of the assets and liabilities of the Debtor will be set forth in the Schedules to be filed shortly.

11. Pursuant to Local Rule 1007-4(a)(ix), the Debtor's 100% membership interest is held by LENY Berry Mezz 2 LLC.

12. Pursuant to Local Rule 1007-4(a)(x), the Debtor's primary asset is its 100% membership interest in the Fee Owner.

13. Pursuant to Local Rule 1007-4(a)(xi), the Debtor does not own any real property directly, but owns the 100% membership interest in the Fee Owner.

14. Pursuant to Local Rule 1007-4(a)(xii), the Debtor's books and records are maintained by the Debtor at its offices in Kings County.

15. Pursuant to Local Rule 1007-4(a)(xiii), a schedule of pending lawsuits is attached hereto.

16. Pursuant to Local Rule 1007-4(a)(xiv), I am being compensated pursuant to the terms of my written agreement with the Debtor's beneficial equity holder, which will be provided to the Office of the U.S. Trustee.

17. Pursuant to Local Rule 1007-4(a)(xv), the Debtor has no employees.

18. Pursuant to Local Rule 1007-4(a)(xvii), an operating budget will be filed in connection with the anticipated Chapter 11 filing by the Fee Owner.

Dated: Brooklyn, NY
April 3, 2024



Ephraim Diamond

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LIST OF LAWSUITS

WF CREL 2020 Grantor Trust v. LENY Berry Mezz LLC
UCC Article 9 Foreclosure Sale

Dated: Brooklyn, NY
April 3, 2024

LENY Berry Mezz LLC

By:



Name: Ephraim Diamond
Title: VP of Restructuring

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RULE 7.1 CORPORATE OWNERSHIP STATEMENT

Pursuant to Federal Rule of Civil Procedure 7.1, LENY Berry Mezz LLC certifies that it is a private non-governmental party, and has no corporate parent, affiliates and/or subsidiaries which are publicly held.

Dated: Brooklyn, NY
April 3, 2024

LENY Berry Mezz LLC

By:


Name: Ephraim Diamond
Title: VP of Restructuring

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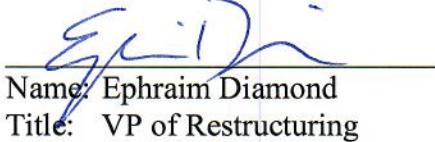
LIST OF EQUITY HOLDERS

LENY Berry Mezz 2 LLC 100%

Dated: Brooklyn, NY
April 3, 2024

LENY Berry Mezz LLC

By:


Name: Ephraim Diamond
Title: VP of Restructuring